GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:6695
ANSWERED ON:08.05.2003
PRIVATISATION OF POWER SECTOR
ALE NARENDRA

Will the Minister of POWER be pleased to state:

(a) the details of reforms effected in power sector to attract private investments in power generation, transmission and distribution;

(b) the details of private investment proposals cleared by the Planning Commission and Central Electricity Authority (CEA) since the announcement of privatization policy and actual investments made over the said period, State-wise;

(c) the details of completed and ongoing power projects in private sector with estimated cost and their capacity and progress made so far, project-wise;

(d) the details of fresh proposals received by the Government, State-wise; and

(e) the action taken by the Government to clear these proposals?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : The poor financial health of the State Electricity Boards (SEB) has been one of the main hindrances in the progress of schemes involving private sector investments. The losses of the State power utilities (without subsidy) in 1992-93 stood at Rs. 4560 crores and have grown to Rs. 33177 crores in 2001-02. Power Sector reforms pose a difficult and complex challenge for the States who have exclusive responsibility for distribution which is the core issue in power reforms. In the Chief Minister`s Conference taken by the Prime Minister in March, 2001, there was a consensus on the urgent need for achieving commercial viability in distribution. There was also recognition that significant investment in generation and transmission would flow only after reforms succeed in restoring financial viability.

The Ministry of Power has signed State-specific Memorandum of Understanding / Memorandum of Agreement on power sector reforms with 27 states. Under the new Accelerated Power Development and Reforms Programme (APDRP), the Central Government is providing financial assistance for specific projects in identified distribution circles aimed at bringing about a turn - around. This has been combined with the provision of a grant to the States linked to the actual reduction in losses.

The Electricity Bill, 2003, which has been passed by both Houses of the Parliament, envisages a liberal and competitive framework for development of the power sector.

(b) & (c) : The Planning Commission has no mandate to accord investment approval for private sector power projects. Since announcement of the policy in 1991 to encourage private sector investments in the power sector, 61 private power projects (including 52 thermal and 9 hydro) having an aggregate capacity of 30824.5 MW have been accorded techno-economic clearance (TEC) by the CEA. Figures regarding actual investment by private sector in the power sector are not maintained. However, the private power projects commissioned / under construction, that have been accorded TEC envisage a total investment of around DM 238.49 Million + US$ 4950.52 Million + Rs 13,515.16 crores. The State-wise details are at Annexure. The remaining projects could be taken up for implementation by the project promoters after the requisite inputs / linkages are tied up and financial closure is achieved.

(d) & (e) : At present, only one thermal scheme namely Surat Lignite Thermal Power Project (250 MW) of M/s. Gujarat Industries Power Company Limited (GIPCL) is under submission to the CEA for accord of TEC. The TEC meeting for this project was held on 18.3.2003. The letter conveying TEC could be issued only after sorting out of the pending issues which have been conveyed to GIPCL on 21.4.2003.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (b) & (c) OF UNSTARRED QUESTION NO. 6695 TO BE ANSWERED IN THE LOK SABHA ON 8.5.2003.

PRIVATE POWER PROJECTS COMMISSIONED / UNDER CONSTRUCTION WHICH HAVE BEEN ACCORDED TEC BY CEA.

S.No	NAME OF THE PROJECT	CAP (DEM MW)	Cost (US $ Component in Million)	Cost (Rs. Component in crores)

Projects Commissioned

GUJARAT

1. Paguthan CCGT (M/s Gujarat PowerGen Energy Corp.), Gujarat	655		2298.14	
2 Hazira CCGT (M/s. Essar Power Ltd.), Gujarat	515	284.35	770.87	
3. Baroda CCGT (M/s. GIPCL), Gujarat	167		368.22	
4. Surat Lignite TPP (M/s GIPCL), Gujarat	250	4.92	44.538	999.99

MAHARASHTRA

5. Dabhol CCGT (Ph-I)(M/s. Dabhol Power Co.), Maharashtra	740		2828.524	

ANDHRA PRADESH

6. Jegurupadu CCGT (M/s. GVK Industries), Andhra Pradesh	216.0	233.568	8.727	363.28
7. Godavari CCGT (M/s. Specturam Tech.), Andhra Pradesh	206.2	143.44	296.59	
8. Kondapally CCGT(M/s Kondapally Power Corp Ltd.),Andhra Pradesh	350	178.636	384.441	

TAMIL NADU

9. Basin Bridge DGPP (M/s. GMR Power Corp Pvt Ltd), Tamil Nadu	200	125.65	354.213	
10. Samalpatti DGPP(M/s Samalpatti Power Co.,), T.N.	105.66	55.978	172.508	
11. Pillaiperumalnallur CCGT (M/s PPN Power Gen.Comp.), T.N.	330.5	206.549	429.80	
12. Neyveli lignite TPP of M/s ST-CMS Electric Co., TN	250	261.59	501.1	
13. Samayanallur DGPP(M/s Madurai Power Corp. Pvt. Ltd.) T.N.	106	59.84	150.845	

KARNATAKA

14. Torangallu TPS (M/s.Jindal Tractebel), Karnataka | 260 | 106.87 | 725.16

HIMACHAL PRADESH

15. Malana HEP (Malana Power Company Ltd.) (H.P.), H.P. | 86 | | 341.911

JHARKHAND

16. Jojobera TPS (M/s Jamshedpur Power Co. Ltd.), Jharkhand | 240 | | 1025.11

Projects Under Construction

MAHARASHTRA

Dabhol CCGT-Phase II (M/s Dabhol Power Company) | 1444 | | |

MADHYA PRADESH

17. Maheshwar HEP (M/s Shree Maheshwar Hyd | 400 | 211.68 | 921.6648

HIMACHAL PRADESH

18. Baspa-II HEP (M/s Jaiprakash Hydro Power Ltd) | 300 | | 949.23

ANDHRA PRADESH

19. Ramagundam TPP (Karimnagar) | 520 | 326.80 | 1228.52

UTTARANCHAL

20. Vishnu Prayag HEP | 400 | 107.35 | 1233.57

Total A = | 238.49 | 4950.52 | 13515.163

Single TEC given by CEA for both phases of Dabhol project.